

EX PARTE OR LATE FILED



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**EX PARTE**

December 9, 1998

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
1919 M Street, N.W. Room 222  
Washington, D.C. 20554

**RECEIVED**

DEC - 9 1998

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

RE: CC Docket Nos. 96-262, 94-1 and RM 9210

Dear Ms. Salas:

Today, representatives of Sprint Corporation met separately with Commissioners Harold Furchtgott-Roth, Susan Ness, Gloria Tristani and their respective staffs to discuss Sprint's position in the above referenced proceedings. Attending from the Commissioners' individual staffs were Kevin Martin, Jim Casserly, Linda Kinney and Karen Gulick. Representing Sprint Corporation were Mike Fuller, Rich Devlin, Alan Sykes and the undersigned.

Sprint requests that this information be made a part of the record in this matter. Five copies of this letter, in accordance with Section 1.1206(a)(1), are provided for this purpose. If you have any questions, please feel free to call.

Sincerely,

  
Jay C. Keithley

Attachment

cc: Commissioner Furtchgott-Roth  
Commissioner Ness  
Commissioner Tristani  
Kevin Martin  
Jim Casserly  
Linda Kinney  
Karen Gulick

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## **Sprint's Access Reform Proposal**

**Objective:** Reduce interstate access charges to Forward Looking Economic Costs (FLEC)

**Method:**

- ◆ Maintain 6.5% productivity factor.
- ◆ Apply full annual reduction only to rate elements above FLEC.
- ◆ Cap CCLC revenues at growth in access lines.
- ◆ Focus current price cap performance review proceeding on identifying FLEC levels and determining appropriate transition.



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## Benefits of Sprint's Access Reform Proposal

### ◆ IXC's

- ❖ Access rates will come down faster than under the existing 6.5% productivity plan.
- ❖ TS access rates will be reduced to FLEC faster than under proposals to increase the productivity factor.

### ◆ LEC's

- ❖ Provides reasonable transition to FLEC.
- ❖ Ensures that access rates are not driven below FLEC.

### ◆ Consumers

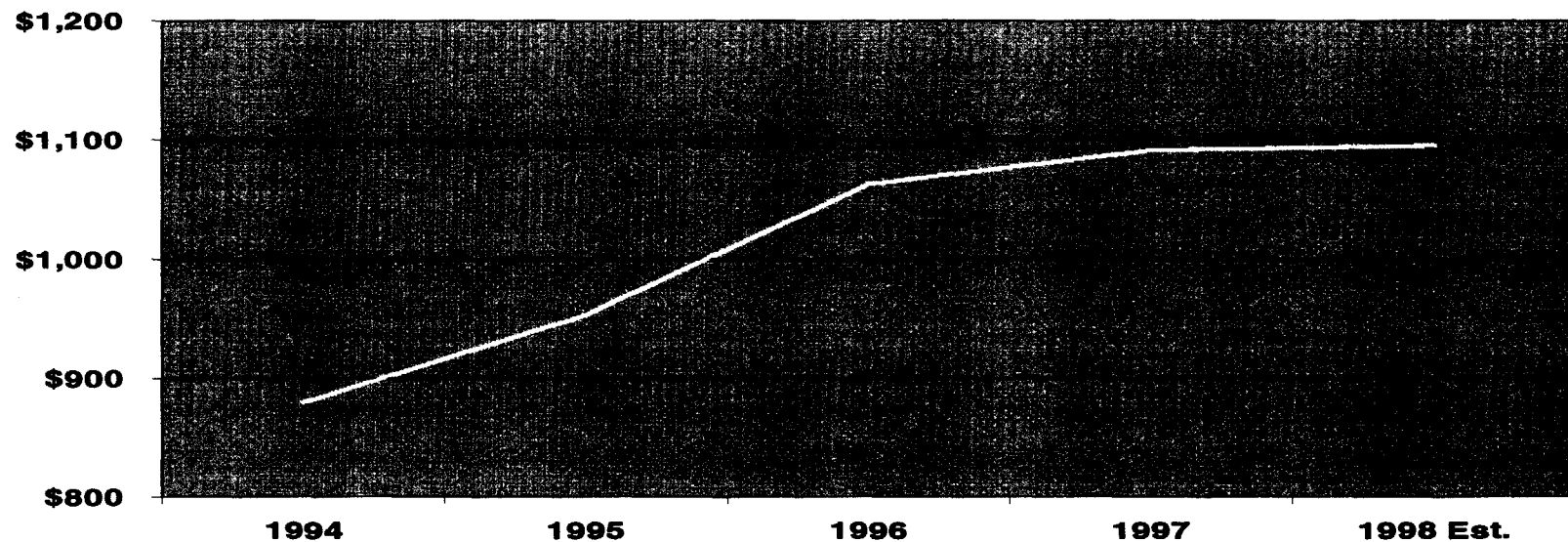
- ❖ Accelerated decreases in TS access rates will allow greater interstate toll rate reductions.



# Sprint

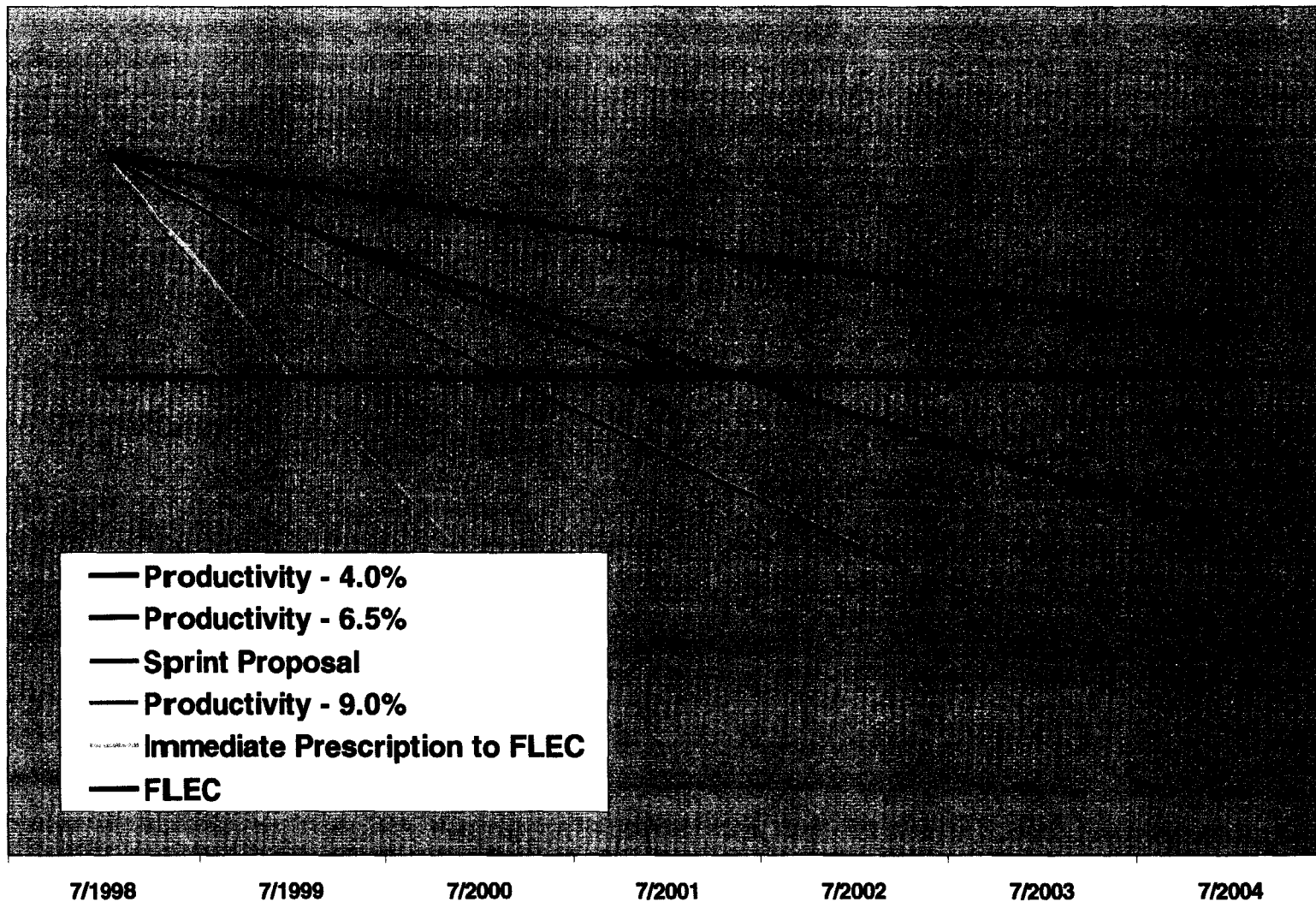
## Interstate Access REVENUES

( \$ in Millions )



|                     | <u>1994</u> | <u>1995</u> | <u>1996</u> | <u>1997</u> | <u>1998 Est.</u> |
|---------------------|-------------|-------------|-------------|-------------|------------------|
| <b>Revenues</b>     | 879.6       | 953.3       | 1,062.9     | 1,091.0     | 1,095.4          |
|                     |             | 8.39%       | 11.50%      | 2.65%       | 0.40%            |
| <b>MOUs</b>         | 16,303      | 17,644      | 19,631      | 20,914      | 22,641           |
|                     |             | 8.22%       | 11.26%      | 6.54%       | 8.25%            |
| <b>Access Lines</b> | 71,332      | 75,338      | 78,930      | 84,006      | 88,837           |
|                     |             | 5.62%       | 4.77%       | 6.43%       | 5.75%            |

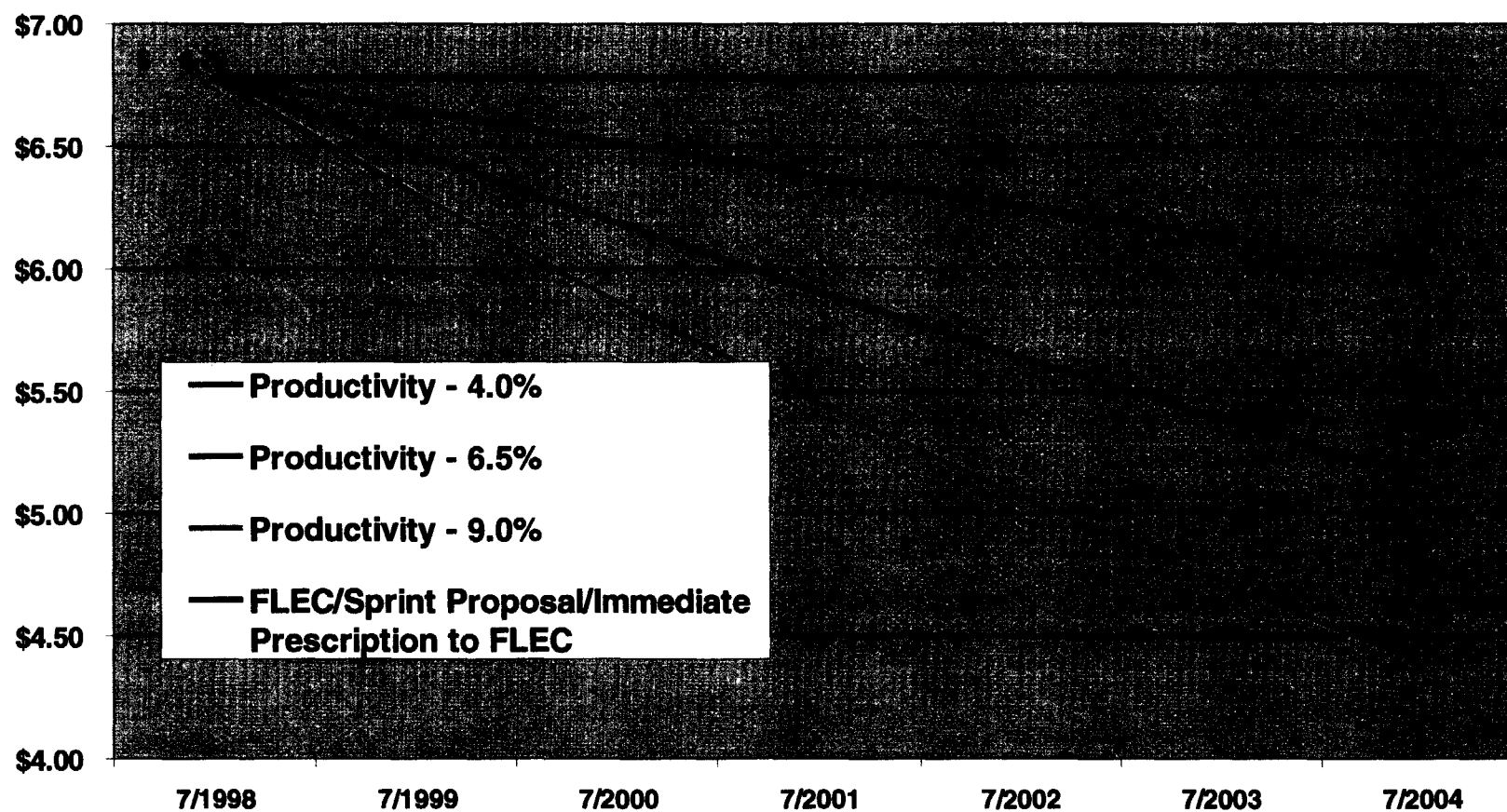
## Price Cap LECs Interstate Access Rates



# Price Caps LECs

## Average Revenue per Line

For Non-Traffic Sensitive (NTS) Elements\*

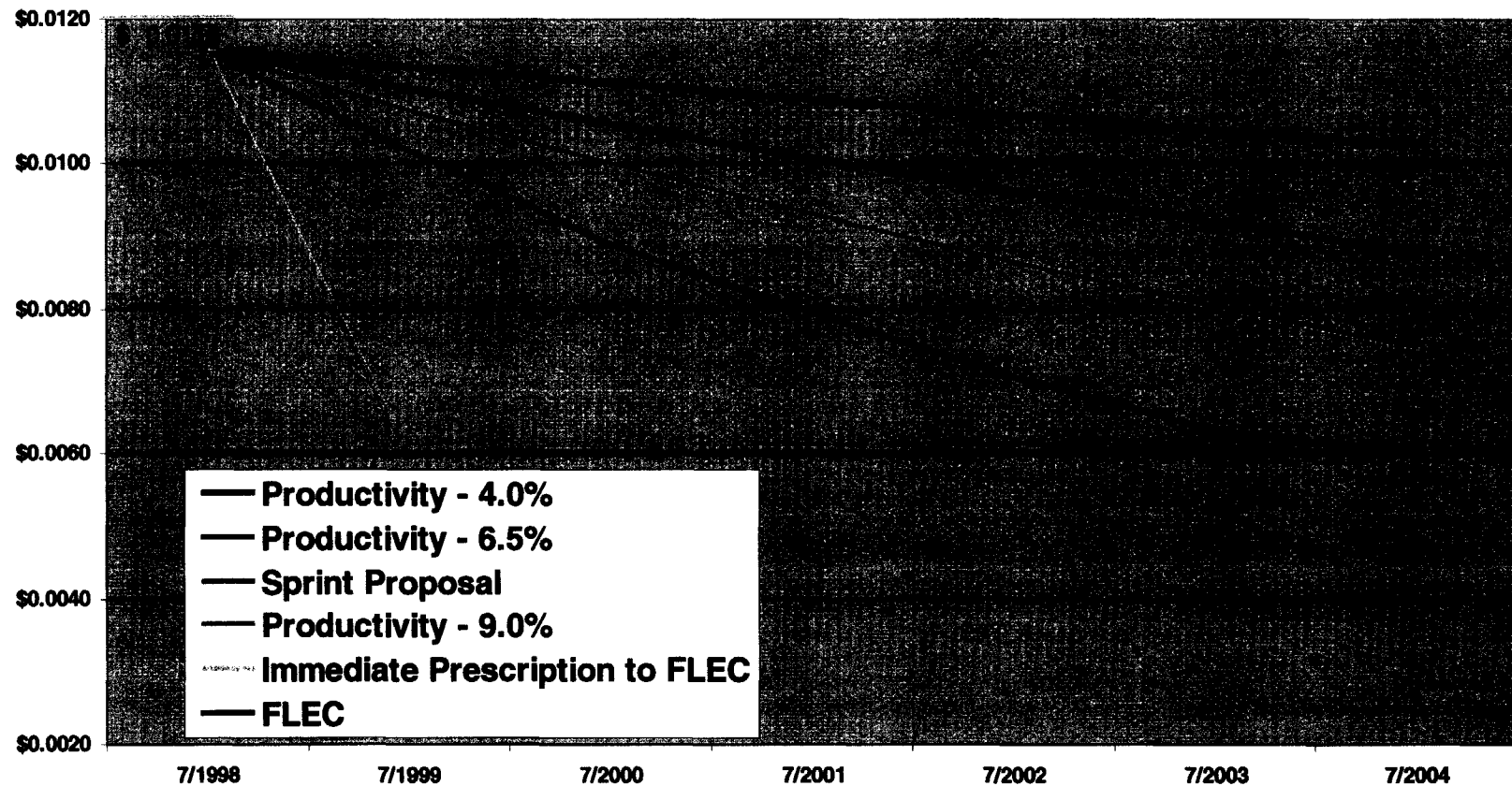


\* Loop, NTS Switching, and Marketing Expense

# Price Cap LECs

## Revenue per Minute

### For Traffic Sensitive Elements\*



\* Local Switching and Switched Transport